

CITY OF MCMINNVILLE  
MINUTES OF DINNER MEETING of the McMinnville City Council  
Held at the Civic Hall on Gormley Plaza  
McMinnville, Oregon

Tuesday, March 25, 2014 at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors: Present

Scott Hill	Kellie Menke
Kevin Jeffries	Alan Ruden
Paul May	Larry Yoder

Also present were City Manager Kent L. Taylor, City Attorney Candace A. Haines, Community Development Director Mike Bisset, Police Chief Ron Noble, and a member of the news media, Nicole Montesano of the *News Register*.

DINNER

CALL TO ORDER: Mayor Olson called the Dinner Meeting to order at 6:30 p.m. and welcomed all in attendance.

PUBLIC HEARING - REGARDING TRANSPORTATION SYSTEM DEVELOPMENT CHARGE UPDATE: Community Development Director Bisset briefed the Council on the public hearing. He noted that the City's consultant, Andy Mortensen of the Transpo Group, would be in attendance to discuss the methodology, project list, and rates. He noted that he had met with a local business group of builders and stated that they would be in attendance at the public hearing to provide testimony.

CITY MANAGER RECRUITMENT PROCESS: City Manager Taylor stated that this would be a time for the Council to discuss whether they wished to hire an outside consultant to manage the recruitment process for the next City Manager.

RESOLUTION - AWARDING THE BID FOR THE FAIRGROUNDS TRUNKLINE SEWER LINING PROJECT: Community Development Director Bisset explained that the Fairgrounds Trunkline is scheduled to be the City's next large Inflow and Infiltration (I&I) project. He stated that the project included 10,000 linear feet of pipe lining and the project encompassed a fairly large area from Highway 99W near McDonald Lane over to Lafayette Avenue and then east and south past Riverside Drive. He further explained that a plastic liner would be inserted into the concrete pipes and has an effective life of decades. He explained that the process is a very cost-effective way to rehabilitate sewer pipe.

ADJOURNMENT: Mayor Olson adjourned the Dinner Meeting at 6:45 p.m.

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Rose A. Lorenzen, Recording Secretary

CITY OF MCMINNVILLE  
MINUTES OF REGULAR MEETING of the McMinnville City Council  
Held at the Civic Hall on Gormley Plaza  
McMinnville, Oregon

Tuesday, March 25, 2014 at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording: Rose A. Lorenzen, Recording Secretary

Councilors: Present

Scott Hill	Kellie Menke
Kevin Jeffries	Alan Ruden
Paul May	Larry Yoder

Also present were City Manager Kent L. Taylor, City Attorney Candace A. Haines, Community Development Director Mike Bisset, Police Chief Ron Noble, and a member of the news media, Nicole Montesano of the *News Register*.

AGENDA ITEM

CALL TO ORDER: Mayor Olson called the meeting to order at 7:00 p.m. and welcomed those in attendance.

PLEDGE OF ALLEGIANCE: Councilor Yoder led in the recitation of the Pledge of Allegiance.

CONSIDER MINUTES: Councilor May MOVED to approve the minutes of the February 25, 2014 Dinner and Regular Meetings as submitted; SECONDED by Councilor Ruden. Motion PASSED unanimously.

1 7:00 P.M. PUBLIC HEARING

1 a 7:00 P.M. PUBLIC HEARING - REGARDING TRANSPORTATION SYSTEM DEVELOPMENT CHARGE UPDATE: Mayor Olson stated that the public hearing would be legislative in nature and explained how the hearing would be managed. He opened the public hearing at 7:05 p.m. and requested a staff report.

Community Development Director Bisset referred to his memorandum and the report prepared by consultant Andy Mortensen of the Transpo Group that was located in the Council packets. He explained that this was a continuation of the work session on this matter that had been held at the Council's December 10, 2013 meeting and that it included three tasks that staff hoped the Council could adopt. He noted that the first task was to explore adoption of a new methodology for establishing Transportation System Development Charges (SDCs); second task was to consider and adopt a project list, including projects that are SDC eligible; and third, what the rates should be.

Mr. Bisset stated that he had met with a group of local builders in December to discuss this matter. He also pointed out that the City had met statutory requirements regarding public notice on this matter.

Mr. Bisset introduced Consultant Andy Mortensen who thanked the Council for the opportunity to be back before them to discuss transportation and system development charges. He provided a short PowerPoint program that outlined the history of McMinnville's SDCs, McMinnville's Transportation Safety Plan (TSP), the Transportation SDC (TSDC) update process, and the draft Transportation SDC document. He explained that SDCs are assessments charged at the time permits are issued and they are based on the new construction's impact to the City's infrastructure. The SDCs provide a means for growth to help pay for the cost of growth. The Transportation SDC originated in McMinnville in 1995 and it was based on the 1994 Master Transportation Plan. In 2010, the City Council adopted the new Transportation Safety Plan (TSP) and the Transportation SDC refinement began in 2011. The first draft of the TSDC update was prepared in 2013 and following a City Council work session, was revised to reflect new P.M. Peak Hours studies.

Mr. Mortensen reviewed the key TSP policies which focus on making connectivity and circulation enhancements. The policies reestablished a mobility standard for all City intersection, looked at growth impacts, and targeted estimates provided by the forecast of the new PM peak hour trips, which is the heaviest and most congested time period of the day.

Mr. Mortensen discussed the three revised Transportation SDC funding options which include the base option which holds SDC rates for a new single-family home constant (\$1,426); full recovery - Transportation SDC methodology improvements applied towards a full cost-recovery for all TSDC-eligible improvements in the Capital Improvement Plan (\$3,399); the mid-range in which improvements applied towards a mid-range TSDC funding level of the Capital Improvement Plan (\$1,986); and a 32 percent increase (\$2,457) which applies improvements towards an additional 32 percent TSDC funding level of the Capital Improvement Plan compared to the Base Option.

Mr. Mortensen discussed McMinnville's SDCs in relation to surrounding cities and noted that McMinnville's current TSDC for a single-family home is \$1,426 as compared to the median cost of \$2,421. The 32 Percent increase option would be at \$2,085 and the Midpoint would be \$2,580. He also compared TSDC costs for new construction of multi-family apartments, banks, fast food restaurants, grocery stores, and office space. The comparison found that McMinnville's TSDC was lower than the median in all cases.

Mr. Mortensen completed his presentation and stated that they are hopeful that the TSDC update implementation would occur in July 2014.

In response to Councilor inquiries, Mr. Mortensen stated that it is always in the City's best interest to use the most up-to-date ITE Trip General Manual. He explained that the TSDCs go into a fund and would be used for SDC-qualified projects on an ongoing basis. He advised that if the City is not a full-cost recovery, other funding options and mechanisms would be needed to pay the difference in transportation improvements. For instance, the cost to upgrade Hill Road from West Second Street to Hill Road is approximately \$5.8 million. \$2.8 million of that would be SDC eligible.

Mayor Olson asked for public testimony.

Howard Aster, 335 NW 8<sup>th</sup> Street, stated that he owned Aster Construction and had been building homes in McMinnville since 1981. He agreed that the improvements are most likely needed; however, he was concerned about how the City intends to accomplish its goals. He pointed out that the recent recession took a terrible toll on the housing market and home builders. He advised that homebuilders are not the only ones who use the roads and they should not be the ones who exclusively bear the SDC costs. He suggested that the Council ask car dealers, attorneys, insurance companies, etc., to pay their fair share also. He explained that new home construction is just now beginning to see new signs of life, but it is still in a very delicate balance. Mr. Aster stated that because of SDCs, there is an artificial price increase on a new home of about \$2,000.

Councilor Ruden agreed that home builders are the ones who are initially hit the hardest. He stated that eventually SDCs catch up with the costs, but if an appraisal does not come in at a level that SDC costs can be recuperated, it does have an impact.

Allen Springer, 1920 NE Springer Court, stated that he felt it did not make sense for the builders to shoulder more of the burden of the cost of new homes and businesses at a time that the building industry has already carried its load. He pointed out that there were no builders or developers on the City's Transportation Advisory Committee and he felt that it would be important to have those experts on the committee to address those issues. He advised that nationally, building is slowing once again. He stated that a number of businesses, such as restaurants, would not purchase land to build their own buildings, they would rather purchase an already constructed building so that they do not have to pay the SDCs.

Ray Kulback, 14790 NW Wildhaven, stated that he had constructed hundreds of homes in McMinnville and that

because of the threat of higher SDCs, the City was putting builders at risk and in jeopardy. He pointed out that he had not constructed a new home in four years.

Following a brief discussion, Mayor Olson closed the public hearing at 8:45 p.m. and asked for Council discussion. He pointed out that because of the lateness of the hour, it might be best if the Council continued its deliberation on this matter at its April 8, 2014 meeting.

Councilor Hill asked Mr. Mortensen if there were other methods to raise improvement funds, or if the methodology proposed was standard across the country. Mr. Mortensen responded that there are some creative/innovate methods that are being tried, but as yet they are untested. These funding mechanisms include a utility fee and fees such as the utility fee are not as popular as SDCs. The City could certainly institute this type of fee, but it is untested. He said that there were not many ways in which a local jurisdiction could raise improvement fees.

Mr. Bisset pointed out that he did not believe that Mr. Mortensen's schedule would allow him to be at a future Council meeting, so if there were questions of him, it would be prudent to ask them at this meeting.

Mayor Olson stated that he believed the concerns were of a more philosophical nature. He thanked Mr. Mortensen for his time and valuable information. He invited all audience present to return to listen to the discussion at the April 8, 2014 City Council meeting.

2 NEW BUSINESS

2 a DISCUSSION OF CITY MANAGER RECRUITMENT PROCESS: City Manager Taylor briefly discussed the options available to the City Council with regard to the recruitment of a new City Manager. He recommended a third-party recruiter and stated that it would be a good investment for the community. He pointed out that the Mid Willamette Valley Council of Governments, the League of Oregon Cities, and Prothman were all familiar with recruiting at the City Manager level. He suggested that if this was an avenue the Council wished to explore, they could invite representatives from each to a meeting at which time their qualifications could be discussed.

Following a brief Council discussion, it was decided to invite both the Mid Willamette Valley Council of Governments and Prothman representatives to one of the Council meetings in April. City Manager Taylor advised that staff would attempt to schedule the interviews for the April 8, 2014 meeting.

3 RESOLUTIONS

- 3 a                   AWARDING THE BID FOR THE FAIRGROUNDS TRUNKLINE SEWER LINING PROJECT, PROJECT 2013-10: Mayor Olson advised that this agenda item had been discussed at the Dinner Meeting.
- Councilor Ruden MOVED to adopt Resolution No. 2014-7 awarding the bid for the Fairgrounds Trunkline CIPP Project, Project 2013-10; SECONDED by Councilor May. Motion PASSED unanimously.
- 4.a.                 REPORTS FROM COUNCILORS ON COMMITTEE AND BOARD ASSIGNMENTS: Each Councilor present gave a brief report.
- 4.b.                 DEPARTMENT HEAD REPORTS: Each Department Head present gave a brief report.
5.                   ADJOURNMENT: Mayor Olson adjourned the meeting at 9:19 p.m.

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Rose A. Lorenzen, Recording Secretary